Birmingham

Effective October 1, 2026

The governing body of Birmingham has notified the Alabama Department of Revenue stating Birmingham has removed the discount allowed for consumers use tax. Birmingham no longer allows ACH credit method payments.

These changes will be effective with the taxes for the period ending October 31, 2026 which are due on or before November 20, 2026. For questions regarding these changes, please contact:

City of Birmingham, Tax and License Division
Attn: Manager of Tax Collections/Tax and License Administrator
Birmingham, AL 35203
Phone: 1-866-576-6531
Fax: 334-242-8916

Your City of Birmingham sales, use, rental, and lodgings taxes may continue to be remitted online through the Alabama Department of Revenue's online filing system My Alabama Taxes (MAT), the 'ONE SPOT' to file: https://myalabamataxes.alabama.gov.

If you have any questions regarding this notice, please contact this office.

ALABAMA DEPARTMENT OF REVENUE
Sales & Use Tax Division
P.O. Box 327710
Montgomery, Alabama 36132-7710
(334) 242-1490

Alabama Department of Revenue

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RECOMMENDED BY: THE BUDGET AND FINANCE COMMITTEE

SUBMITTED BY: THE CITY ATTORNEY

ORDINANCE NO. 26-107

AN ORDINANCE TO AMEND SECTION 3A-4-18 OF THE GENERAL CODE OF THE CITY OF BIRMINGHAM, ALABAMA, TO ELIMINATE THE DISCOUNT ALLOWED FOR THE TIMELY REMITTANCE OF CONSUMERS USE TAX.

WHEREAS, the City of Birmingham has adopted a Consumers Use Tax Code pursuant to its authority under the laws of the State of Alabama, including Ala. Code §§11-51-200 et seq. and Title 40, Chapter 23, Article 2, Code of Alabama 1975; and,

WHEREAS, Section 3A-4-18 of the Birmingham Consumers Use Tax Code presently authorizes a discount for the timely remittance of Consumers Use Tax; and,

WHEREAS, the City Council of the City of Birmingham has determined that eliminating the discount will increase uniformity with the State of Alabama in the collection of municipal revenues and preserve additional revenues for essential governmental services.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Birmingham as follows:

SECTION 1.

Section 3A-4-18 of the General Code of the City of Birmingham Alabama is hereby amended to read as follows:

Sec. 3A-4-18. –Discount.

Timely filed Consumer Use Tax returns due before September 30, 2026 shall be allowed a discount of three-fourths of one percent (.0075) of the taxes levied by this chapter due and payable to the city shall be allowed to the seller or vendor provided the taxes due by such seller are paid before the same becomes delinquent, as provided in this chapter, pursuant to Code of Ala. 1975, § 40-23-36 with a maximum discount allowed of $400.00. If the returns are not filed within the time herein provided and the taxes not paid on the dates herein provided for, no such person shall be entitled to such a discount but shall pay to the city the amount of tax due, together with applicable penalty and interest at the rate of one percent (0.01) per month, from the date the payment of said use tax became delinquent.

After September 30, 2026, no seller, vendor, retailer, taxpayer, or other person required to collect or remit Consumers Use Tax imposed under this Chapter shall be entitled to any discount, or other deduction from the amount of Consumers Use Tax due and payable to the City.

SECTION 2.

The provisions of this ordinance are severable. If any provision, section, paragraph, sentence, or thereof, or the part application thereof to any person, shall be declared unconstitutional or invalid by a court of competent jurisdiction, such declaration shall not affect or impair the remainder of the ordinance, it being the legislative intent to ordain and enact each provision, section, paragraph, sentence, and part thereof, separately and independently of each other.

SECTION 3.

This ordinance shall be effective when published as required by state law.